The Mohegan Way

New Jobs, New Dreams

The Mohegan Tribe has become a driving force in Connecticut's economy and a major reason for southeastern Connecticut's prosperity. Its investment extends beyond the 10,000-plus people employed at Mohegan Sun, creating thousands of additional jobs in other Connecticut companies, and re-energizing the state's tourism industry.

In the early 1990's, a state-sponsored study predicted that southeastern Connecticut's unemployment rate could reach 20% in the new millennium. Massive cutbacks at Electric Boat and Connecticut's other defense contractors, along with the decline in manufacturing jobs statewide, spelled disaster for the region's economy. Every day industries were moving south or overseas.

But that was before Mohegan Sun and Foxwoods achieved the phenomenal success that created more than 20,000 jobs in the past six years. Today, southeastern Connecticut's unemployment is under 2%, one of the lowest in the nation.

There is also a significant indirect impact. Mohegan Sun, for example, pays millions of dollars to Connecticut companies for products and services. Those payments help support and maintain thousands of additional jobs across the state.

In addition, the rise of Mohegan Sun and Foxwoods has revitalized what could become southeastern Connecticut's biggest and best hope for long-term economic progress – tourism. Market research conducted last year by the Department of Economic and Community Development's Tourism Division determined that the primary reason people are coming to visit Connecticut from outside the state is casino gaming.

In other reports, DECD has identified the tourism industry as the fastest-rising economic sector in the state in 2002. Belief in the continued growth of Connecticut as a tourist destination is driving the development of new hotels, new attractions and restaurant expansion. And as the tourism industry grows, as new

The Mohegan Way is to live and work closely and honestly with our neighbors, and to give back to the state and community.

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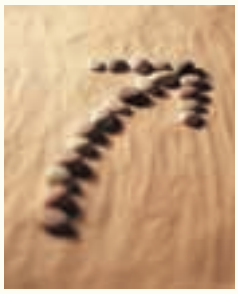

The Mohegan Way in Montville

by Mark Brown
Chairman, Mohegan Tribal Council

The oldest example of the Mohegan Way of cooperation and honesty is our relationship with our neighbors in Montville. Long before our 18-year effort to achieve federal recognition reached fruition, we had lived and worked side-by-side with our Montville neighbors. We maintained our tribal traditions, our government and our relationships, but we always extended the hand of friendship to the people of Montville, and they returned that friendship.

When we began our planning for what would become Mohegan Sun, we recognized the enormous impact our business would have on life in Montville. To minimize that impact, we spent $40 million on an access road that would enable visitors to reach Mohegan Sun without clogging Montville roads.

We also arrived at our own compact with the town government, giving $500,000 in annual payments to the town to pay for meeting additional public safety needs. In addition, we established an emergency medical service to meet the needs of both the reservation and Montville.

In 2001, when we began thinking about our reservation's future water needs, we didn't devise our own solutions. We brought together a coalition of leaders and planners from Montville, Norwich and other surrounding towns, and coordinated the development of a long-term water management plan that will ensure the region's water supply for decades.

Now in its third century, our relationship with our neighbors and friends in Montville stands as testament to the Mohegan Way, to living and working together in a spirit of cooperation and trust.

Mohegan Sun Hotel

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hotels and attractions appear and restaurants thrive, even more jobs will be created.

"We recognize that the future of Mohegan Sun and the future of Connecticut, particularly southeastern Connecticut, are one and the same," said Mark Brown, chairman of the Mohegan Tribal Council. "We are working with leadership at every level to ensure that we all prosper."

Total number of jobs in New London County (in thousands) 1989-2001

(In 2001, only Eastern CT – the New London/Danielson/Lower River regions – created more jobs than the prior year.)

For more information about
the Mohegan Way, e-mail:
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Tribal shellfish workers

Oysters, Scallops and Wireless Networks

The Mohegan Tribe has initiated two new business ventures, both to help strengthen its economic diversity and, in the case of one venture, to re-establish old tribal bonds with the sea.

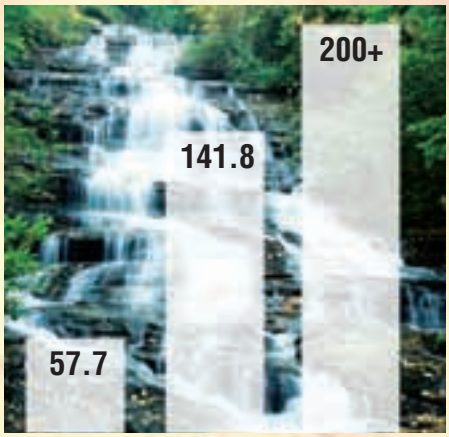
In early 2002, the U.S. Army Corps of Engineers approved the Tribe's request to establish shellfish beds along a section of the southeastern Connecticut shoreline. The approved permit allowed the relocation of 25 million young quahogs and two million oysters planted at a marina on the Pawcatuck River in Westerly, Rhode Island to beds in six locations stretching from Westerly to Niantic. The new shellfish systems off the coast of Connecticut consist of bags and trays of maturing oysters and clams submerged in 10 to 15 feet of water about 1,500 feet offshore. In just five years, Mohegan Aquaculture LLC will harvest 20 million oysters and about 50 million clams a year.

"Our goal is to establish Connecticut as a leader in the nation's aquaculture industry, but to do it in an environmentally responsible way," said Peter Schultz, Vice Chairman of the Mohegan Tribal Council. "We've spent hundreds of hours talking with the people who live and work on the shoreline, to ensure their concerns are addressed and that the coast will continue to be an asset for everyone."

In the fall of last year, the Tribe also announced the launch of Mohegan Technology Group, LLC. The company is the product of a partnership between the Tribe and Telaid Industries, Inc., a national provider of information technology services based in Niantic, Connecticut. The Tribe is the majority partner.

Mohegan Information Technology Group (MITG) will focus on providing sole-source information technology solutions to both public and private entities, both as a contractor or sub-contractor. MITG's customers include the American Association of Retired Persons (AARP), CNN, CitiGroup, Federal Express, Lucent, the New York Stock Exchange, Target Stores and the U.S. Postal Service.

Mohegan Sun Contributions to State Revenues
(in millions)



Mark Brown with Governor Rowland

Connecticut's Casinos, Connecticut's Budget

The Mohegan Tribe is a major source of revenue for the State of Connecticut, funding critically important state and local services. In fact, Connecticut's two Indian casinos are the State's single largest source of revenue other than the Federal government.

Connecticut's compact with the two tribes includes an agreement to give 25% of all slot machine revenues to state coffers. This year alone, Connecticut will receive more than $400 million. That's not only more than any other state employer pays the state; it's more than ***all other Connecticut corporations*** pay in corporate tax ***combined***.

The two tribes employ more people than any other Connecticut-based employer, excluding the state government. Every one of those employees pays the state income tax, providing tens of millions more to the State.

Connecticut's revenue sharing agreement with the two tribes is the most generous in the nation. The average percentage of slot revenues paid by Indian gaming operations to state governments is 12%, less than one-half of what Connecticut tribes pay.

If the two tribes instead paid the standard corporate rate, plus an 8% gaming tax (the standard in gaming states like Nevada and New Jersey), this contribution to Connecticut would be cut in half.

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